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S E C R E T SECTION 01 OF 02 RANGOON 001445

SIPDIS

E.O. 12958: DECL: 11/09/2014 TAGS: PINS PGOV SNAR EAID BM

SUBJECT: SHAN CEASE-FIRE GROUP WARY OF GOB INTENTIONS

Classified By: CDA, a.i. Ronald K. McMullen 1.4 (b,d)

11. (S) SUMMARY: In the course of travel to visit an INL-funded project in Shan State, Emboff encountered the leadership of the Shan State Army (SSA), a former insurgent group that has concluded a cease-fire agreement with the GOB. Shan leaders are concerned that the post-Khin Nyunt regime will move against the cease-fire groups and other ethnic minority groups in Shan State and thwart progress toward the Shan Nationalities League for Democracy (SNLD) and SSA's stated objective of a federated, democratic Burma. Among other things, the Shan leaders told Emboff the GOB intends "to crush the Wa" (i.e., the United Wa State Army - Burma's leading narcotics producers and drug traffickers). END SUMMARY.

## 12. (C) Encounter with SSA Leaders:

Emboff stopped in Hsipaw, the former capital of a major princely state in northeastern Burma November 1st while traveling in the region. He called on "Donald," the nephew and heir of a powerful Shan noble abducted and killed by the Burmese army in its 1962 coup. Donald is the "brother/cousin" of Hkun Htun Oo, leader of the SNLD, Burma's second largest democratic party. He also is the spokesman for the Shan State Peace Council, a grouping of the SSA and another Shan cease-fire group. When Emboff arrived at the former princely estate, East Haw, he found it guarded by heavily armed SSA troops sporting M-79 grenade launchers and a variety of assault rifles. He was welcomed by Donald and his wife, and found that three other individuals, the political and military leaders of the 9,000-strong Shan State Army, were also calling at East Haw.

## ¶3. (S) Regime Planning to "Crush" the UWSA?

The Shan leaders claimed they had recently "intercepted" a regime message laying out plans to deal with the multi-ethnic Shan State. First, the GOB would require cease-fire groups to transform themselves from ethnic militias running semi-autonomous regions into regular political parties. Second, the regime intended to "crush the Wa." Third, with the Wa crushed, the GOB would divide and impose its direct rule on the mosaic of other ethnic, military, and political groups in Shan State. In reaction, the Shan leaders continued, the SSA and the SNLD (which often closely coordinate their activities) had called all Shan State groups to a large gathering November 3rd to see if they could find common ground for a joint response to the SPDC's supposed

## 14. (S) Shans Seek Help:

As is often the case when traveling Emboffs meet ethic minority representatives, the Shan leaders asked for financial assistance. They said they hoped to form a Shan State Consultative Committee as an outgrowth of the November 3rd meeting, adding that they needed money for social welfare programs, as health and education infrastructures in Shan State "had been ignored for four decades." HIV/AID information in the Shan language was badly needed, they added. One SSA leader, who attended the now-adjourned National Convention, said, "If we decide not to go back to the National Convention when it reconvenes, we will need more weapons."

15. (S) COMMENT: There is a palpable skittishness among ethnic cease-fire groups in Shan State arising from fears that the concessions and agreements they concluded with former PM Khin Nyunt may no longer be honored. The UWSA, with its relatively large and well-armed militia, its continuing close relations with the PRC, and with its coffers full of money from its heroin and meth business, is probably the key to GOB relations with ethnic minority groups in Shan State. None of the ethnic Shan leaders we have spoken to, either in Rangoon or in Shan State, are very clear or optimistic about the regime's intentions, given the continuing confusion and fallout of the demise of Khin Nyunt and his Military Intelligence apparatus. Post has and will continue to reiterate our support for a peaceful transition to democracy in a united Burma. END COMMENT.